

Long-Term Care Expansion “Readiness Template”

Several activities will occur as Wisconsin moves to implementing long-term care reform. Initially, intensive planning work must occur, and this work is in progress in ten planning consortia. The second step will occur when a planning consortium indicates its readiness to respond to a competitive request for proposals that will be issued by the Department. Once the Department decides to contract with an MCO through this competitive process, step three will begin: an intensive MCO implementation phase that will culminate with MCO certification and managed care implementation in that area.

The attached “DDES Management Planning Tool for LTC Expansion ‘Readiness Template’” is provided to describe the certification expectations DHFS has for any managed care organization (MCO) at the point it is ready to begin operating under a risk-based contract to provide long-term care services and, in some cases, long-term care and acute and primary health care services. This tool does not list tasks that need to be accomplished in the planning phase prior to when the organization is ready to respond to a Request for Proposals. Rather, it identifies tasks that need to be accomplished during the implementation phase prior to when any enrollments in Family Care may begin.

We are providing the template now so that planning consortia may have a full understanding of what an MCO must accomplish to meet certification requirements. We believe it will be helpful to planning grantees because it describes the developmental tasks that must be accomplished before any organization begins to operate as a MCO. The Readiness Template is provided to assist in planning; it is not intended as a definitive checklist of MCO certification requirements.

During the implementation phase for any new MCO, workplans will need to be developed with much more detail than is included in this document. This is a major undertaking that will require a great deal of commitment and resources. We know from past experience that this expectation is achievable: all of the Family Care and Partnership MCOs have successfully developed the business systems and capacity reflected in this Readiness Template. Their experiences and resources will be invaluable to the planning consortia that will undertake this work. The planning consortia will also be able to use existing business and IT systems already developed for managed health and long-term care. DHFS staff will also be available for consultation regarding these requirements during implementation.

How the Readiness Template is Organized

The first column of the template is organized according to major business area and conveys both the flow of the MCOs business process and the consumer’s experience, beginning with enrollment. However, these should not be considered entirely discrete areas. For example, the template separates “budgeting and projections,” “managing enrollment and capitation,” “financial management and reporting,” “claims processing” and “utilization review”, even though all these processes are probably part of the financial management area under the direction of the chief financial officer, with necessary and effective interfaces with care management and

quality areas. Although some coordinated planning and support for IT is needed, that function needs to support each of these areas and respond to each process's specific IT support needs.

The second column indicates what the Department will be using as a gauge to determine that the MCO has developed the necessary business systems. For instance, an indication that the claims system is adequate is the ability to submit "test" encounter data that passes the quality edits.

The third column describes in more detail the business systems that the MCO needs to have in place to succeed, but should not be taken as a complete or detailed list. Actual workplans will undoubtedly encompass what is included here, but will be more detailed in descriptions of the systems, processes and documentation needed.

Please note that the certification requirements for MCOs are based on Family Care statute and administrative rule, and the Family Care and Partnership CMO contract requirements. Typically, some contract language changes are made each year and, in addition, we will be working to standardize the language between the Family Care and Partnership contracts, which will result in further changes. These, and other considerations, may result in the Department revising some specific certification requirements from those contained in this version of the Readiness Template before any new MCO is ready to contract. Nevertheless, the basic business functions that this template describes will continue to be required of any MCO and the potential for some minor changes in the future in no way detracts from its usefulness by planning consortia.

Communication regarding this template and requirements for managed care organizations should be directed Monica Deignan, Managed Care Section Chief, in the Division of Disability and Elder Services or to the Department liaison who has been assigned to the managed care planning consortium. Monica may be reached at 608-261-7807 or deignma@dhfs.state.wi.us.